


annual report

Wright-Hargreaves

Mines, Limited

For the year ended December 31, 1974



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Wright-Hargreaves

Mines, Limited

OFFICERS

D. C. WEBSTER President
ROBERT C. STANLEY, JR. Vice-President
IAN T. H. HAMILTON Secretary
D. M. GIACHINO Vice-President - Mining

DIRECTORS

JOHN C. L. ALLEN
D. C. WEBSTER
ROBERT C. STANLEY, JR.
IAN T. H. HAMILTON
P. A. ALLEN

TRANSFER AGENT AND REGISTRARS

CANADA PERMANENT TRUST COMPANY
Toronto, Ontario
THE BANK OF NEW YORK
New York, N.Y.

AUDITORS

THORNE RIDDELL & CO.
Toronto, Ontario

HEAD OFFICE

Suite 1900, 101 Richmond Street
West, Toronto, Ontario

Wright-Hargreaves

Mines, Limited

To the Shareholders:

Your Directors present the 58th Annual Report and Financial Statements for the year ended December 31, 1974, together with the Auditors' Report thereon.

During 1974 uncertainties as to the economic conditions in the Western developed nations were reflected in substantial declines in the value of all securities traded on Canadian and American Stock markets. The Company has substantial indirect investments in shares of corporations engaged in the mining of gold and non-ferrous metals. As a result of declines in the prices of resource industry securities on Canadian and American Stock markets during the past year, the value of these investments has been reduced.

The Company continues its review of its gold properties and in particular its former producing property in Arntfield, Quebec, known as the Wasamac Mine.

The Company remains active in exploration through its 10% interest in Long Lac Mineral Exploration Limited. A report on this Company's activities is included.

Respectfully submitted,

On behalf of the Board,

D. C. Webster
President.

Toronto, Ontario
March 6, 1975

Wright-Hargreaves

Mines, Limited

LONG LAC MINERAL EXPLORATION LIMITED

1974 REPORT

Through Long Lac Mineral Exploration Limited, the search for, or acquisition of, mineral deposits was conducted throughout Canada and the United States; with some participation during the latter part of 1974, in projects in Greenland and Spain.

The highlights of the year's activities were the acquisition of significant interests in two mineral deposits, one of which is currently under development.

A 50% interest was obtained in Copper Giant Mining Corporation Limited (No Personal Liability), a British Columbia company that holds a 30% non-assessable interest in a drill-inferred 200 million tons of low-grade, copper-molybdenum-gold mineralization in southern British Columbia. Homestake Mining Company, a large U.S. gold producer, controls the remaining 70% interest and is the project manager. Further diamond drilling will be required to fully assess the potential of this property.

Underground development for metallurgical, geological and grade control studies are underway on the Thompson-Bousquet Gold Mines Limited gold property in Bousquet Township in Northern Quebec. Long Lac Mineral Exploration may earn a 50% interest in this property by placing the property in production before 1980. Previous drilling has indicated a minimum of 2 million tons of ore grading 0.07 ounces gold per ton. Large ore widths make this property attractive to open-pit mining methods.

Dennis G. Sheehan
Exploration Manager

March 6, 1975

BALANCE SHEET—

(with comparative figures for 1973)

ASSETS		1974	1973
Current Assets			
Cash and short term deposits		\$ 4,291	\$ 320,594
Marketable securities, at cost less allowance for decline in market value of \$1,630,000 in 1974 (\$250,000 in 1973) (quoted market value 1974, \$2,212,700; 1973, \$3,715,650) (note 1(a))		2,489,843	3,689,444
Accounts receivable		10,453	52,561
Receivable from associated company		5,275	
		<u>2,509,862</u>	<u>4,062,599</u>
Investments in Other Companies			
Shares in and advances to associated companies (note 2)			
Listed, at cost less allowance for decline in value of \$1,922,000 (quoted market value 1974, \$4,076,100; 1973, \$4,463,785) ...		4,448,725	4,448,725
Effectively controlled, at cost		371,886	369,369
Other			
Shares, at cost		2,500	2,500
Advances		60,784	
Shares of other companies, at cost (including securities having a quoted market value of \$158,000 in 1974; \$130,000 in 1973)		413,267	349,663
		<u>5,297,162</u>	<u>5,170,257</u>
Mining Properties			
Properties, buildings and equipment, at estimated realizable value .		34,404	31,404
Exploration expenditures deferred		29,066	
		<u>63,470</u>	<u>31,404</u>
		<u>\$7,870,494</u>	<u>\$9,264,260</u>

AUDITOR'S REPORT

To the Shareholders of
Wright-Hargreaves Mines, Limited

We have examined the balance sheet of Wright-Hargreaves Mines, Limited as at December 31, 1974 and the statements of income, deficit and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada
January 17, 1975
(January 31, 1975 as to note 1)

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ne laws of Ontario)

DECEMBER 31, 1974

s at December 31, 1973)

LIABILITIES

Current Liabilities

	1974	1973
Payable to associated companies	\$ 7,052	\$ 3,349

SHAREHOLDERS' EQUITY

Capital Stock

Authorized — 15,000,000 shares without par value

Issued — 9,962,877 shares	10,276,688	10,276,688
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Contributed Surplus	5,000	5,000
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Deficit	10,281,688	10,281,688
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	2,418,246	1,020,777
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	7,863,442	9,260,911
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Approved by the Board

P. A. ALLEN, Director

D. C. WEBSTER, Director

	\$7,870,494	\$9,264,260
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REPORT

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1974 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE GUNN & CO.
Chartered Accountants

Wright-Hargreaves

Mines, Limited

STATEMENT OF INCOME

Year ended December 31, 1974
(with comparative figures for 1973)

Revenue	1974	1973
Dividends and interest	\$ 239,416	\$ 137,023
Expenses		
General expenses at the property	534	14,577
Administrative and corporate expenses	127,995	110,663
	128,529	125,240
Income before undernoted items	110,887	11,783
Outside exploration	39,329	12,344
Income (loss) before extraordinary items	71,558	(561)
Extraordinary items		
Dividend received from pre-acquisition earnings of Marbridge Mines Limited		71,250
Reduction (increase) in allowance for decline in value of		
Marketable securities (note 1(b))	(1,380,000)	(250,000)
Listed shares in associated companies		1,500,000
Gain (loss) on sale of investments	(89,027)	365,886
Recovery of expenses of previous years		54,247
	(1,469,027)	1,741,383
Net income (loss) for the year	<u>\$ (1,397,469)</u>	<u>\$ 1,740,822</u>
Earnings per share		
Before extraordinary items	1¢	Nil
Net income (loss) for the year	(14)¢	17¢

Wright-Hargreaves

Mines, Limited

STATEMENT OF DEFICIT

Year ended December 31, 1974
(with comparative figures for 1973)

	1974	1973
Deficit at beginning of year	\$1,020,777	\$2,761,599
Net income (loss) for the year	(1,397,469)	1,740,822
Deficit at end of year	<u>\$2,418,246</u>	<u>\$1,020,777</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1974
(with comparative figures for 1973)

	1974	1973
Working capital derived from		
Income before extraordinary items	\$ 71,558	
Proceeds from sale of mining properties, building and equipment ..		\$ 12,500
Proceeds from sale of shares in associated and other companies	563	44,415
Gain on sale of marketable securities		344,000
Dividend from Marbridge Mines Limited		71,250
Recovery of expenses of previous years		54,247
	<u>72,121</u>	<u>526,412</u>
Working capital applied to		
Loss before extraordinary items		561
Purchase of shares in associated and other companies	66,684	23,330
Exploration expenditures deferred	29,066	
Advance to an associated company	60,784	
Purchase of mining property	3,000	
Increase in allowance for decline in value of marketable securities (note 1(b))	1,380,000	250,000
Loss on sale of marketable securities	89,027	
	<u>1,628,561</u>	<u>273,891</u>
Increase (decrease) in working capital	(1,556,440)	252,521
Working capital at beginning of year	<u>4,059,250</u>	<u>3,806,729</u>
Working capital at end of year	<u>\$2,502,810</u>	<u>\$4,059,250</u>

Wright-Hargreaves

Mines, Limited

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1974

1. Marketable Securities

- (a) The market value of the company's marketable securities improved in January 1975. The allowance for decline in market value is based on the market quotations as at January 31, 1975 and is \$270,000 less than if the market quotations at December 31, 1974 had been used.
- (b) The "Increase in allowance for decline in value of marketable securities" does not represent realized losses but rather reflects the effect of a substantial reduction in market value of marketable securities as a result of a general market decline.

2. Shares in and Advances to Associated Companies

- (a) The market values shown are based on closing market prices at December 31 in each year. Because of the number of shares involved the amounts that would be realized if these securities were to be sold may be more or less than their indicated market value.
- (b) The investment in the effectively controlled company is in a non-producing mining company. All of its expenditures to date have been deferred.

3. Other Statutory Information

The remuneration of directors and senior officers (including the five highest paid employees) as defined by The Business Corporations Act of Ontario was \$20,000 in 1974 (\$20,000 in 1973).

